

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 8/31/2005**

	As of 8-31-05	As of 6-30-05
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,481,458,970	\$ 1,458,148,767
INTERNATIONAL EQUITIES	744,199,837	751,581,435
DOMESTIC FIXED INCOME	1,724,746,110	1,627,107,621
INTERNATIONAL FIXED INCOME	155,982,639	144,258,400
REAL ESTATE POOL	220,429,140	216,275,745
VENTURE CAPITAL	123,221,377	123,797,307
INVESTED CASH (NOTE 1)	<u>46,473,931</u>	<u>68,245,056</u>
 TOTAL INVESTMENTS	 4,496,512,004	 4,389,414,331
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	17,477,914	21,609,527
CONTRIBUTIONS/ASSESSMENTS REC	0	7,403,583
MISCELLANEOUS RECEIVABLES	<u>882</u>	<u>2,188</u>
 TOTAL RECEIVABLES	 17,478,796	 29,015,298
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	8,397,606	8,905,245
DUE FROM OTHER AGENCIES (NOTE 3)	12,664	89,903
FIXED ASSETS (NET) (NOTE 4)	<u>1,013,164</u>	<u>1,013,164</u>
 TOTAL ASSETS	 <u><u>\$ 4,523,414,234</u></u>	 <u><u>\$ 4,428,437,941</u></u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	3,377,529	3,464,962
ACCRUED EXPENSES	368,843	442,004
CAPITAL LEASES PAYABLE	9,550	9,550
DUE TO OTHER AGENCIES (NOTE 5)	<u>12,660</u>	<u>89,903</u>
 TOTAL LIABILITIES	 3,768,582	 4,006,419
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,424,431,522	3,975,436,484
CASH IN DURING YEAR (NOTE 6)	46,971,789	302,922,897
CASH OUT DURING YEAR (NOTE 7)	50,739,676	298,051,573
NET INCREASE (DECREASE)	<u>98,982,017</u>	<u>444,123,714</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,519,645,652</u>	 <u>4,424,431,522</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 4,523,414,234</u></u>	 <u><u>\$ 4,428,437,941</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 8/31/2005**

	Month Ended 8-31-05	Year-to-Date
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 8,603,734	\$ 16,568,258
SECURITIES LENDING INCOME	1,581,702	3,049,786
	<u>10,185,436</u>	<u>19,618,044</u>
GAIN ON SALE OF INVESTMENTS	46,635,963	95,619,820
LOSS ON SALE OF INVESTMENTS	<u>23,234,055</u>	<u>35,884,736</u>
NET GAINS (LOSSES) INVESTMENTS	23,401,908	59,735,084
INVESTMENT EXPENSES	2,861,168	3,157,007
SECURITIES LENDING EXPENSES	<u>1,494,061</u>	<u>2,842,509</u>
NET INVESTMENT INCOME	29,232,115	73,353,612
NET APPREC (DEPREC) MARKET VALUE	(11,463,849)	39,832,039
MISCELLANEOUS INCOME/(EXPENSE)	<u>67,148</u>	<u>(117,046)</u>
TOTAL INVESTMENT INCOME	17,835,414	113,068,605
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	716,197	800,580
PURCHASED SERVICE CREDIT (NOTE 9)	298,023	862,595
PENALTY & INTEREST (NOTE 10)	<u>37</u>	<u>384</u>
TOTAL ADDITIONS	<u>18,849,671</u>	<u>114,732,164</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,630,516	15,241,779
PARTIAL LUMP SUM BENEFITS PAID	21,045	21,045
REFUNDS TO MEMBER (NOTE 12)	<u>81,510</u>	<u>229,623</u>
TOTAL BENEFITS PAID	7,733,071	15,492,447
ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	80,413	159,600
OPERATING EXPENSES	82,372	98,100
EQUIPMENT	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>162,785</u>	<u>257,700</u>
TOTAL DEDUCTIONS	<u>7,895,856</u>	<u>15,750,147</u>
NET INCREASE (DECREASE)	<u>\$ 10,953,815</u>	<u>\$ 98,982,017</u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**August 31, 2005**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                    OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                    DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                    CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**8/31/2005**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.